

Tab 15 Attachment A

FY 2025 Department and Student Financial Aid Budget Recommendations

Budget Item	Core Amount	Description
Proprietary Schools Certification Fund	\$359,916	A key responsibility of DHEWD is to certify and monitor proprietary schools, including private out-of-state institutions that offer instruction, grant degrees or certificates, or recruit students in Missouri. The Proprietary School Certification Fund was created in HB 1042 (2012) as a fund into which fees collected from certified schools and those seeking certification or exemption are deposited. Proprietary School Certification administration expenses are paid from the Proprietary School Certification Fund.
Proprietary School Bond Fund – Administration	\$151,605	In FY 2022, a new section was added to House Bill 3 to permit the use of bond funds for administrative purposes allowed by statute. Once funds have been distributed to students, the remaining funds can be used to help with records management. This appropriation will be used for both personnel services and expense and equipment to help DHEWD serve as the custodian of records (transcripts) for these closed schools. At the start of FY 2024, there was a balance of \$177,392 left over in the fund after all student damages were paid.
Proprietary School Bond Fund	\$400,000	Section 173.612, RSMo, requires each proprietary school to file a security deposit with MDHE covering the school and its agents in order to indemnify any student, enrollee, parent, guardian or sponsor of a student or enrollee who suffers loss or damage because of certain actions of the school or for failure to deposit student records in an acceptable manner upon school closure. DHEWD holds a security deposit from each proprietary school with a minimum of \$5,000 and maximum of \$100,000. This appropriation is necessary to ensure the use of those monies for indemnification purposes in cases of malfeasance by a proprietary school.
Midwest Higher Education Compact	\$115,000	Section 173.700, RSMo, authorizes Missouri’s membership in the Midwestern Higher Education Compact and names the Coordinating Board as the administrative agent. All of Missouri’s public two-year and four-year institutions and numerous independent institutions use the services of MHEC, and some cost savings programs are also available to K-12 school districts. As a member, Missouri participates in

Budget Item	Core Amount	Description
		the Midwest Student Exchange Program. This program allows Missouri residents to enroll at participating public out-of-state institutions at 150 percent of the in-state resident student tuition rates. Private institutions offer a 10 percent reduction on their tuition rates. Other cost-saving programs are available for property insurance, technology initiatives, student health insurance, and state authorization reciprocity and pharmacy benefits.
Federal and Donated Funds	\$500,000	This appropriation provides DHEWD with spending authority for federal grants received by the agency. Continuation of this appropriation at the current level would allow for prompt spending of any potential grants awarded during fiscal year 2025.
Donated and Other Funds	\$1,000,000	This appropriation provides DHEWD with spending authority for non-federal grants and donations received. Continuation of this appropriation at the current level would allow for timely spending of any potential grants awarded during fiscal year 2025.
Academic Scholarship Program (Bright Flight)	\$27,576,666	The Missouri Higher Education Academic Scholarship Program (commonly known as Bright Flight) provides scholarships to students who, as high school seniors, have a composite score in the top five percent of all Missouri students taking the ACT or the SAT. The maximum scholarship award is \$3,000 per academic year for students in the top three percent of test takers, and \$1,000 for students in the top fourth and fifth percentiles. The top three percent must receive a full award (\$3,000) before students in the top fourth and fifth percentiles receive any award. Scholarships are renewable until the first bachelor's degree is received or the scholarship has been received for ten semesters, whichever occurs first. Core funding is sufficient to serve the top three percent and top fourth and fifth percentiles in FY 2023.
Access Missouri Financial Assistance Program	\$75,421,052	The Access Missouri Financial Assistance Program provides assistance to students who demonstrate financial need based on an annual evaluation of the applicant's federally calculated expected family contribution (EFC), and meet the other statutory eligibility requirements for this grant. Access Missouri is the state's primary need-based student assistance program. The statutory maximum award for students attending public two-year institutions is \$1,300 and the maximum award for students attending all other

Budget Item	Core Amount	Description
		<p>types of eligible institutions is \$2,850. The Free Application for Federal Student Aid (FAFSA) serves as the only application for this program. For FY 2023, award levels are set at the statutory maximum for the first time in over a decade. This program served more than 36,000 students in FY 2022.</p> <p>Over the past several years, the number of applicants with an EFC at or below the established cutoff (\$12,000) has been declining. By establishing a more flexible application deadline, the department has somewhat ameliorated that trend but the number of eligible applicants has continued to shrink. Currently, the department maintains a “priority deadline” of February 1, which ensures individuals who file a FAFSA by this date will receive an award. For FY 2023, the department was able to extend the deadline to the “final deadline” of April 1, providing an effective mechanism to balance the number of eligible applicants, the award levels, and the appropriated funding. Core funding is projected to be sufficient to continue providing statutory maximum awards to eligible students in FY 2024.</p> <p>This request does not include the \$5 million transfer in House Bill 8 from the Missouri Gaming Commission.</p>
A+ Schools Program – A+ Scholarship	\$60,313,326	<p>The A+ Scholarship program, which provided almost \$49.3 million to approximately 14,180 students in FY 2022, reimburses tuition and general fees at participating postsecondary institutions for students who attended A+ designated high schools for two years prior to graduation. While in high school, students must meet certain eligibility requirements, including maintenance of a 2.5 grade point average, a 95 percent attendance records, and performance of at least 50 hours of tutoring or mentoring. Upon high school graduation, eligible students have four years to utilize the A+ benefit at participating public community colleges, public vocational technical schools, or two-year private vocational technical schools that meet the statutory criteria.</p> <p>Consistent with past history, staff expect some increase in the number of recipients for FY 2023 and FY 2024. At this point in the life of the program, the primary cost drivers are increased tuition and fees at participating institutions and changes in the average number of credit hours completed by recipients. The requested amount will be sufficient to address the estimated eight percent increase in program cost.</p>

Budget Item	Core Amount	Description
Advanced Placement Grants	\$100,000	The Advanced Placement Incentive Grant is a nonrenewable grant of \$500 available to any student who receives an Access Missouri or A+ award and has received two grades of three or higher on Advanced Placement tests in mathematics or science while attending a Missouri public high school. In FY 2023, seven students received grants through this program. Funding is provided through a donation from MOHELA.
Public Service Officer or Employee Survivor Grant	\$160,500	The Public Service Officer’s Survivor Grant provides tuition assistance to the spouses and children of certain public employees who were killed or permanently and totally disabled in the line of duty. Dependents are eligible up to the age of 24. Eligible individuals can receive a grant to enroll in any program leading to a certificate, associate degree, or baccalaureate degree at an approved Missouri postsecondary institution. In FY 2023, 13 students were served by this program. The maximum annual grant is the least of the tuition for a full-time undergraduate Missouri resident at the University of Missouri—Columbia, or the actual tuition and incidental fees paid at the institution that the student attends.
Wartime Veterans’ Survivor Grant	\$325,000	The Wartime Veteran’s Survivor Grant was established to provide scholarships for the spouses or children of veterans who were Missouri residents when first entering the military or at the time of their death/injury, and who (1) died as a result of combat action or of an illness contracted while serving in combat or (2) became at least 80 percent disabled as a result of injuries or accidents sustained in combat action. In FY 2022, 23 individuals received this grant. The maximum number of recipients allowed by statute is 25. The law allows for awards of full tuition (the University of Missouri—Columbia rate is the maximum allowed), provides for a \$2,000 room and board allowance, and a book allowance of up to \$500 per semester. In FY 2023, 19 students were served by this program.
Kids’ Chance Scholarship	\$15,000	The Kids’ Chance Scholarship Program, established by section 173.254, RSMo, authorizes the Coordinating Board for Higher Education to provide scholarships for the children of workers who were seriously injured or died in a work-related accident or occupational disease covered by workers’ compensation and compensable pursuant to chapter 287, RSMo, to attend a college, university, or accredited vocational institution of their choice. The Kids’

Budget Item	Core Amount	Description
		<p>Chance Scholarship Fund was created by statute and funded by the Division of Workers' Compensation. The fund contains a \$1 million corpus but awards can only be made using the interest earnings in the fund. The requested amount is set based on the size of the fund and projected interest earned. In FY 2023, two students received scholarships under this program.</p>
<p>Minority and Underrepresented Environmental Literacy Program</p>	<p>\$36,964</p>	<p>This program provides scholarships to full-time students who are members of minority and underrepresented groups who pursue a bachelor's or master's degree in an environmental-related field of study at a Missouri college or university and meet certain academic standards. This program served five students in FY 2023.</p>